

FORM MR-RC
Revised 2/1/89
RECLAMATION CONTRACT

File Number M/023/004
Effective Date 3/22/90

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/023/004
(Mineral Mined) Limestone, Shale & Quartzite

"MINE LOCATION":

(Name of Mine)	<u>Leamington Quarry</u>
(Description)	<u>parts of Sections 3, 4 and 5, Township 15 South,</u> <u>and Sections 32 and 33, Township 14 South,</u> <u>Range 3 West, SLM, Juab County, Utah</u>

"DISTURBED AREA":

(Disturbed Acres)	<u>273 (total disturbed area identified in NOI)</u>
(Legal Description)	<u>Exhibit A</u>

"OPERATOR":

(Company or Name)	<u>ASH GROVE CEMENT WEST, INC.</u>
(Address)	<u>P.O. Box 51</u> <u>Nephi, Utah 84647</u>
(Phone No.)	<u>801-857-2380</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

C T CORPORATION SYSTEM

50 West Broadway

Salt Lake City, Utah 84101

801-364-1228

"OPERATOR'S OFFICER(S)":

George M. Wells, President

Ash Grove Cement West, Inc.

Suite 300

6720 S.W. Macadam Avenue

Portland, Oregon 97201

"SURETY":

(Form of Surety - Exhibit B)

Corporation Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Westchester Fire Insurance Company

Policy No. 6101752995 dated 3/16/90

"SURETY AMOUNT":

(Escalated Dollars)

\$386,000

"ESCALATION YEAR"

NA

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/023/004 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

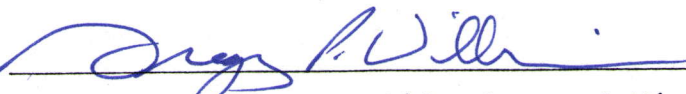
1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay ^{legally determined} public liability and property damage claims resulting from mining ^{operations} as determined by the Board or the Division,) to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, ^{after notice and hearing,} result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 22nd day of March, 1990.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By 
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

Dianne R. Nelson

Director

3/22/90

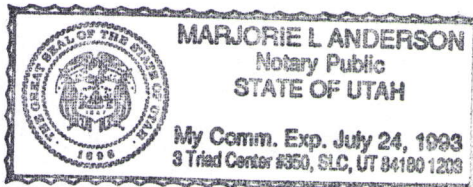
Date

STATE OF Utah)

) ss:

COUNTY OF Salt Lake)

On the 22nd day of March, 1990, personally appeared before me, who being by me duly sworn did say that he/she, the said Dianne R. Nelson is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Marjorie L. Anderson

Notary Public

Residing at: SLC, Utah

My Commission Expires:

OPERATOR:

ASH GROVE CEMENT WEST, INC.

By George M Wells - President March 14, 1990
Corporate Officer - Position Date

STATE OF Oregon)
) ss.
COUNTY OF Multnomah)

On the 14th day of March, 1990, personally
appeared before me George M. Wells who being by
me duly sworn did say that he/she, the said George M. Wells
is the President
of Ash Grove Cement West, Inc. and duly acknowledged that said
instrument was signed on behalf of said company by authority of its
bylaws or a resolution of its board of directors and said
George M. Wells duly acknowledged to me that said
company executed the same.

E. J. Wells
Notary Public
Residing at: Portland, Oregon

April 27, 1990

My Commission Expires:

EXHIBIT "A"

(a) Total disturbed area described in NOI:

273 acres in Sections 3, 4 and 5, Township 15 South, and in Sections 32 and 33, Township 14 South, Range 3 West, SLM, Juab County, Utah.

(b) Actual number of acres disturbed by operation: (Quarries only)

159 acres shown on blue line print (two (2) parts), "Disturbed Land Outline", Drawing #B-89-4-0465, dated October 13, 1989, attached to Transfer of Notice of Intention, Large Mining Operations, from Southwestern Cement Enterprises Inc. to Ash Grove Cement West, Inc.